AMENDED IN ASSEMBLY JUNE 16, 2003

AMENDED IN SENATE MAY 6, 2003

SENATE BILL   No. 566

Introduced by Senator Scott

February 20, 2003

An act to amend Sections 7251.1 and 7251.2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 566, as amended, Scott.   Transactions and use tax: maximum allowable rate.

Existing law authorizes various local governmental entities, subject to certain limitations and approval requirements, to levy transactions and use taxes in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law.

Existing law provides that the combined rate of all transactions and use taxes imposed by a district may not exceed 1.5%.

This bill would provide that, in the case of Los Angeles County, the combined rate of transactions and use taxes may not exceed 2%.

This bill would make legislative findings and declarations as to the necessity of a special statute.

This bill would state the Legislature's intent in this bill to allow Los Angeles County to impose a transactions and use tax for the exclusive purpose of funding public safety projects and trauma centers.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1.   Section 7251.1 of the Revenue and Taxation
2 Code is amended to read:
3 7251.1.   The combined rate of all taxes imposed in accordance
4 with this part in any county may not exceed 1.5 percent. No tax
5 shall be considered to be in accordance with this part if, upon its
6 adoption, the combined rate in the county will exceed 1.5 percent.
7 SEC. 2.   Section 7251.2 of the Revenue and Taxation Code is
8 amended to read:
9 7251.2.   (a) Notwithstanding any other provision of law, in
10 the case where the local transactions and use tax measures
11 specified in subdivision (b) are both approved by the voters of the
12 County of Los Angeles at the November 6, 1990, general election,
13 and both measures are otherwise valid, the rate of each tax thereby
14 imposed shall be set, for purposes of compliance with the 1 percent
15 limitation of Section 7251.1, at one-fourth of 1 percent. If the
16 limitation of Section 7251.1 is increased, the amount of the
17 increase shall, on the date the increase is operative, be equally
18 apportioned to increase the rate of each tax imposed by the
19 measures specified in subdivision (b), up to a rate not to exceed
20 one-half of 1 percent for each tax.
21 (b) Subdivision (a) shall apply only to the local transactions
22 and use tax measures, to be submitted to the voters of the County
23 of Los Angeles at the November 6, 1990, general election and
24 popularly known as the following:
25 (1) "Los Angeles County Transportation Commission 1990
26 Fast-Track Anti-Gridlock Transit Improvement Proposition."
27 (2) "Local Communities Safety Act—Los Angeles County
28 Regional Justice Facilities Financing Agency."
29 (c) Notwithstanding Section 7521.1, the combined rate of all
30 taxes imposed in the County of Los Angeles pursuant to this part
31 may not exceed a combined rate that is greater by one-half of 1
32 percent than the maximum combined rate allowed by Section
33 7251.1.
34 SEC. 3.   The Legislature finds and declares that a special law
35 is necessary and that a general law cannot be made applicable
36 within the meaning of Section 16 of Article IV of the California
37 Constitution because of the uniquely difficult fiscal pressures

1 being experienced by the County of Los Angeles in providing
2 essential services and funding for county programs and operations.
3 *SEC. 4. It is the intent of the Legislature that the addition by*
4 *this act of subdivision (c) to Section 7251.2 of the Revenue and*
5 *Taxation Code allow the County of Los Angeles to impose a*
6 *transactions and use tax for the exclusive purpose of funding*
7 *public safety projects and trauma centers.*

O